



Co-product market report

March 2020

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Beef Co-products

Beef offal prices were steady across the range of products, with the exception that prices for tripe pieces, honey comb tripe and halal omasum were much softer.

Table 1: Beef co-product prices

	Average (Feb Data)	Range	Responses	Monthly Change	Annual Change
Beef Lips	\$3.50	\$0.20	3	2.4%	18.6%
Beef Lips - Halal	\$3.44	\$0.30	4	-0.8%	-7.1%
Cheekmeat	\$6.88	\$1.80	4	0.6%	43.2%
Cheekmeat - Halal	\$8.10	\$2.30	3	7.0%	65.3%
Diap. Membrane	\$4.60		2	32.7%	137.9%
Hc Tripe	\$7.56	\$1.55	4	-8.6%	6.5%
Hc Tripe - Halal	\$8.20		2	-1.2%	-1.8%
Headmeat	\$4.30	\$0.50	3	-5.1%	10.3%
Headmeat - Halal	\$4.45		2	-4.3%	3.5%
Heart	\$2.33	\$0.50	3	-3.5%	-4.1%
Heart - Halal	\$2.30	\$0.70	4	-4.7%	-13.2%
Heart - Aorta	\$8.90	\$3.80	3	6.0%	27.1%
Heart - Aorta - Halal	\$7.85		2	-13.3%	6.8%
Kidneys	\$1.00		2	2.6%	14.3%
Kidneys- Halal	\$1.70		2	-4.2%	78.9%
Ligamentum	\$1.58	\$0.90	4	1.6%	-16.6%
Liver	\$1.42	\$0.80	3	39.3%	57.4%
Liver - Halal	\$1.45	\$1.20	4	1.8%	20.8%
Lungs	\$1.60	\$1.10	3	8.5%	82.9%
Lungs - Halal	\$1.45	\$1.25	3	-21.6%	-14.7%
Omasum	\$6.93	\$3.10	4	10.8%	12.0%
Omasum - Halal	\$6.55		2	-13.6%	-13.2%
Rum.Pill - Halal < 500	\$10.65		2	0.5%	-11.6%
Rum.Pill - Halal > 500 < 700	\$13.35		2	8.1%	-37.2%
Rum.Pill - Halal > 700	\$16.55		2	12.2%	-28.4%
Rum.Pill < 500	\$9.45	\$4.50	4	13.5%	-18.4%
Rum.Pill > 500 < 700	\$12.05	\$5.00	4	-1.2%	-34.3%
Rum.Pill > 700	\$15.40	\$5.10	4	1.5%	-28.9%
Tail	\$10.77	\$0.80	3	0.3%	15.4%
Tail - Halal	\$10.08	\$2.30	4	-1.7%	-2.4%
Tendons	\$7.00	\$1.00	3	21.7%	1.1%
Tendons - Halal	\$7.25		2		7.8%
Thickskirt	\$9.85	\$3.30	4	2.3%	13.7%
Thickskirt - Halal	\$9.63	\$1.30	3	2.5%	13.3%
Thinskirt	\$10.45	\$3.10	4	3.5%	51.4%
Thinskirt - Halal	\$10.53	\$2.00	3	-5.1%	53.8%
Tongue Root Fillet	\$5.55		2	-0.9%	
Tongue Root Meat	\$2.90	\$1.00	3	-23.0%	31.8%
Tongue Root Meat - Halal	\$2.70	\$1.50	4	-16.9%	4.9%
Tongue SW	\$13.83	\$0.40	3	2.8%	52.0%
Tongue SW - Halal	\$12.20	\$3.40	4	-3.2%	27.1%
Tripe Pieces	\$2.68	\$0.90	3	-27.5%	-19.1%

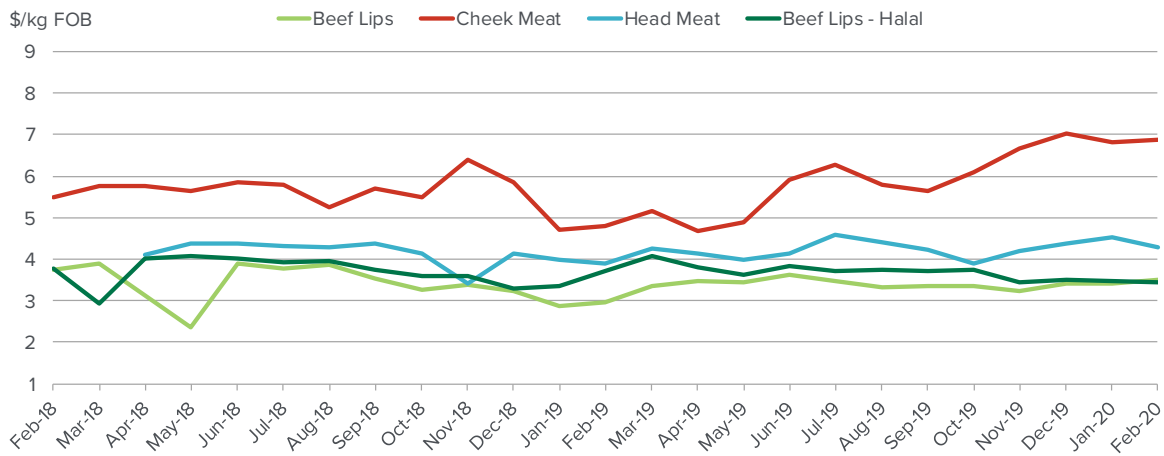
Price quoted is average price reported in \$/kg FOB Australian port.

Head offal

Prices for head offal products were mixed this month. Head meat averaged \$4.30/kg, down 40¢/kg from year-ago prices and 23¢/kg below last month. Cheek meat was \$2.08/kg dearer than year-ago levels, averaging \$6.88/kg, which was 5¢/kg up from last month.

Lip export prices to the US and Mexico firmed 8¢/kg month-on-month, to average \$3.50/kg. Halal lips averaged \$3.44/kg, down 3¢/kg from last month and 26¢/kg lower than February 2019.

Figure 1: Trends in beef head offal prices

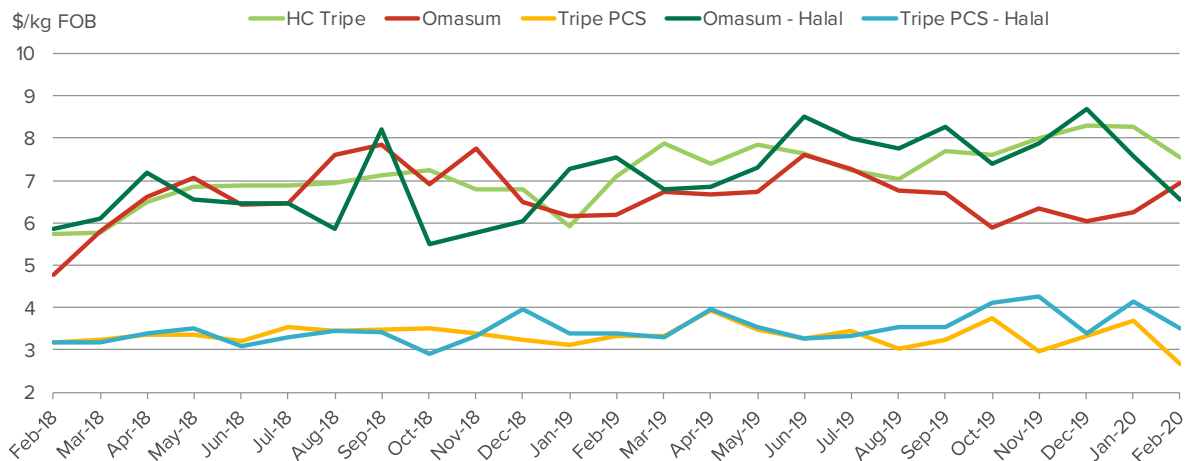


Beef offal trends

Omasum firmed 68¢/kg from last month, to average \$6.93/kg, up 75¢/kg from year-ago prices. Halal omasum averaged \$6.55/kg, down \$1.03/kg from last month and \$1.00/kg softer year-on-year.

Halal tripe pieces eased from January to average \$3.50/kg, down 63¢/kg month-on-month but 12¢/kg up from last year’s levels. Non-halal product fell \$1.02/kg from last month’s prices, averaging \$2.68/kg, to be down 64¢/kg on last year. Honeycomb tripe eased to average \$7.56/kg, down 72¢/kg month-on-month but 46¢/kg above February 2019 prices.

Figure 2: Trends in beef tripe prices

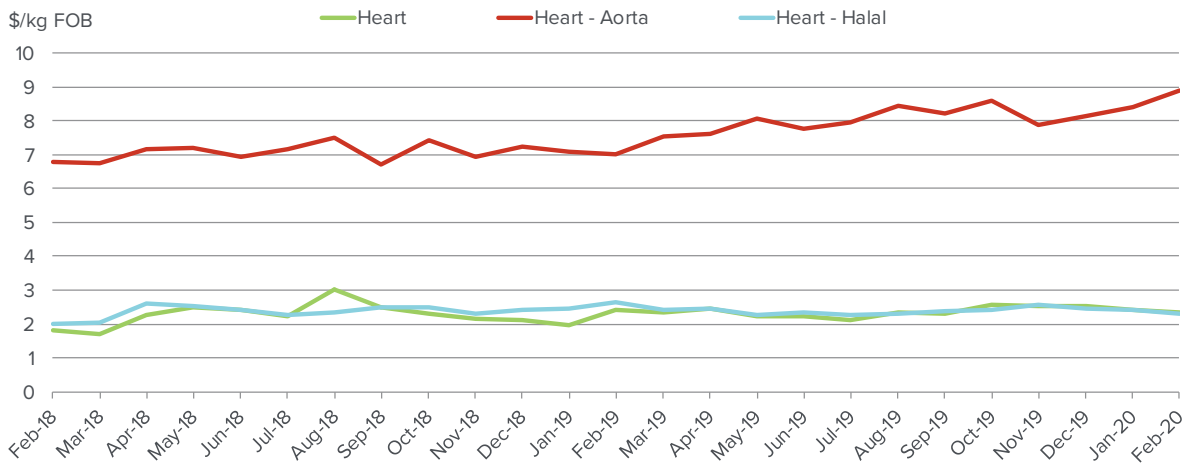


Beef offal trends continued...

Aorta averaged \$8.90/kg for the month, which was 50¢/kg firmer than January, and \$1.90/kg above year-ago levels.

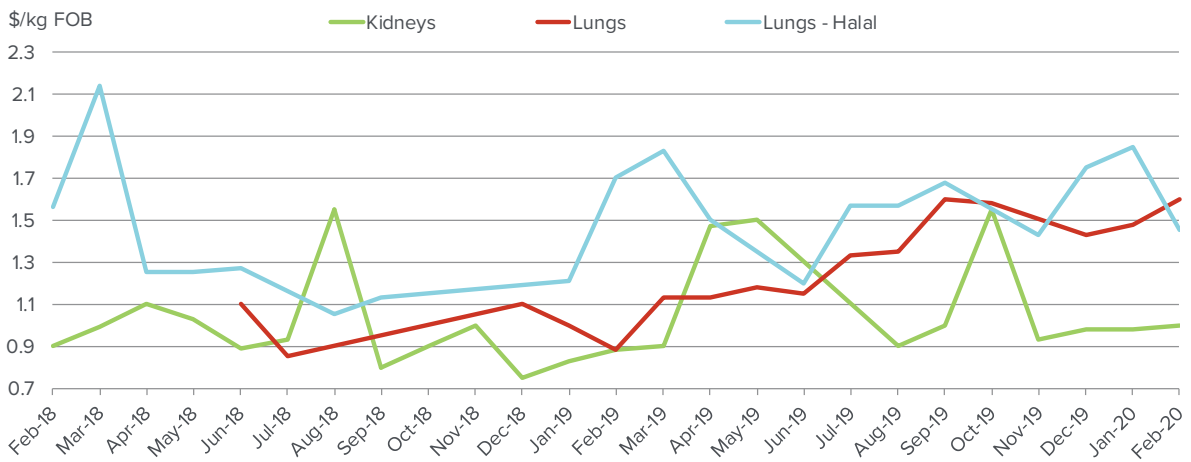
Heart prices were down from last month, averaging \$2.33/kg, to be 10¢/kg below year-ago levels. Halal hearts averaged \$2.30/kg, easing 11¢/kg month-on-month, and down 35¢/kg from February 2019.

Figure 3: Trends in beef offal prices



Kidneys averaged \$1.00/kg, 12¢/kg up on year-ago prices. Non-halal lungs were reported at \$1.60/kg up 72¢/kg from year ago levels while halal lungs averaged \$1.45/kg down 40¢/kg month-on-month and 25¢/kg lower than February 2019.

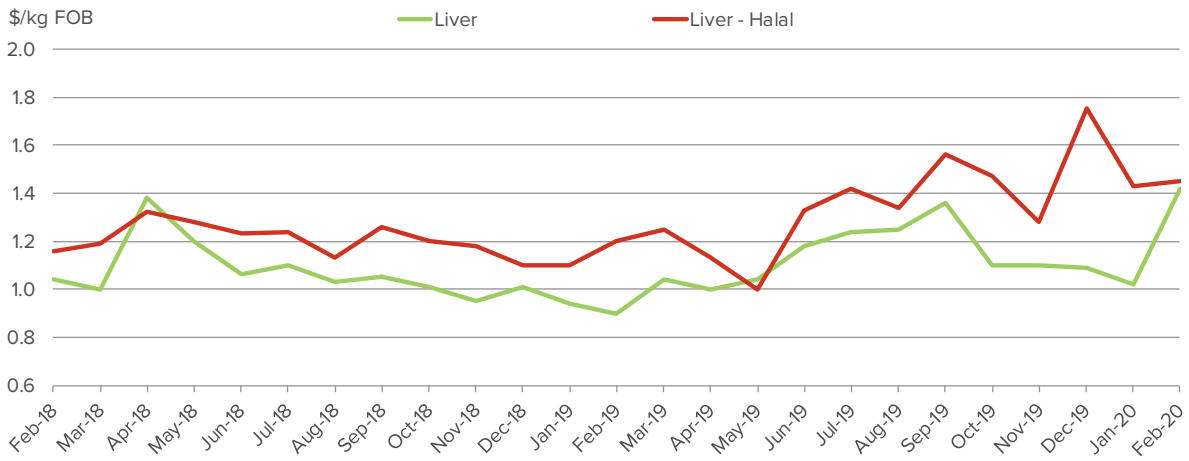
Figure 4: Trends in beef offal prices



Beef offal trends continued...

Liver prices averaged \$1.42/kg, 40¢/kg up month-on-month and 52¢/kg above year-ago levels. Halal livers firmed 2¢/kg from last month's price to average \$1.45/kg, up 25¢/kg on last year prices.

Figure 5: Trends in beef offal prices



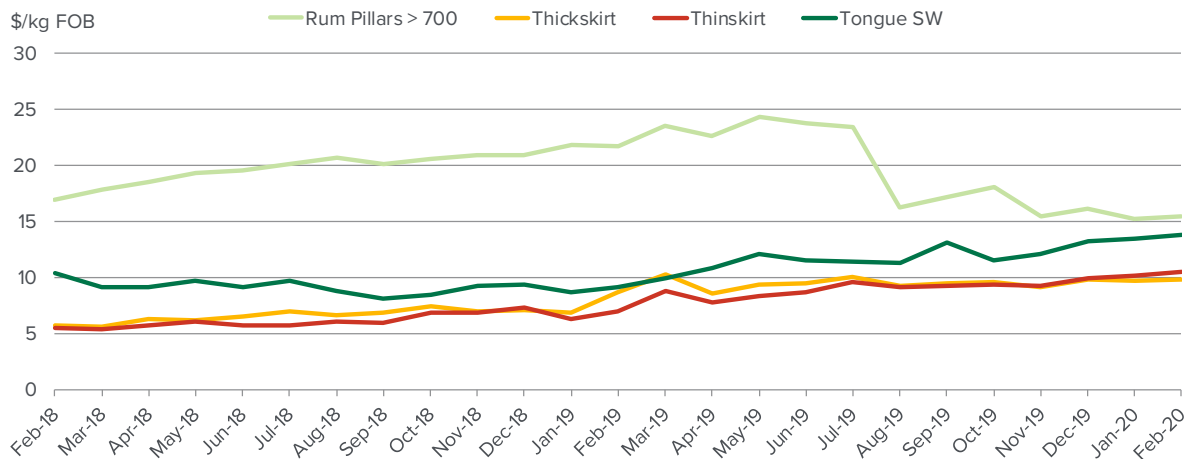
Japanese and Korean Offals

Tongue prices were 38¢/kg up from January to average \$13.83/kg, and \$4.73/kg above year-ago levels.

Thick skirt was \$1.18/kg higher year-on-year and 22¢/kg firmer than last month, averaging \$9.85/kg. Thin skirt averaged \$10.45/kg, up 35¢/kg from January and \$3.55/kg above year-ago prices.

Rumen pillars firmed with heavy weight product averaging \$15.40/kg, up 22¢/kg month-on-month but \$6.27/kg cheaper than February 2019 levels.

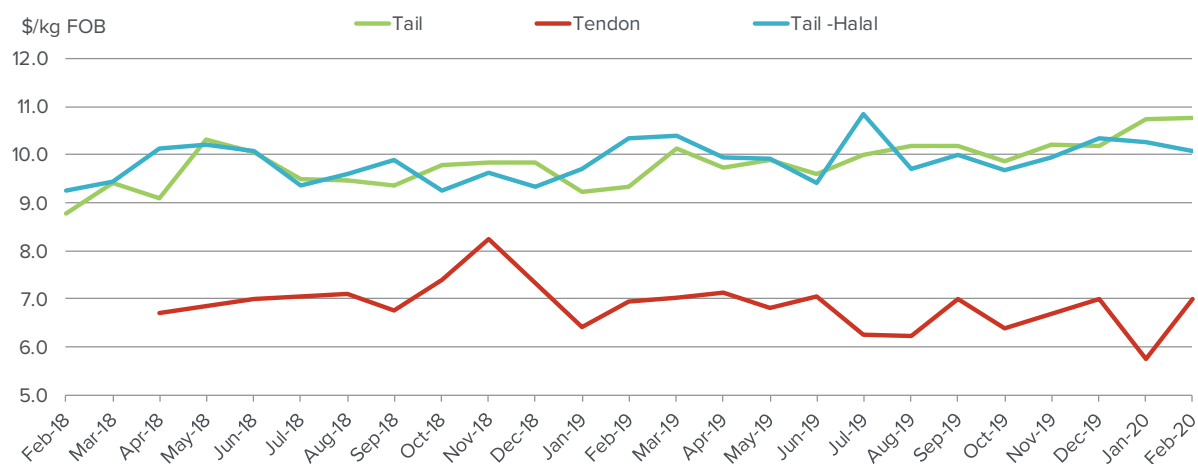
Figure 6: Trends in Japanese offal prices



Tails and Tendons

Tail prices to Korea firmed 4¢/kg from last month, averaging \$10.77/kg, to be \$1.44/kg above year-ago levels. Halal tails averaged \$10.08/kg, down 17¢/kg from last month and 25¢/kg below year-ago prices. Tendons averaged \$7.00/kg, regaining the \$1.25/kg lost last month and 7¢/g up on last year's price.

Figure 7: Trends in tail and tendon prices



Sheep Co-products

Sheep offal prices were firm to even with tripe being the exception

Table 2: Sheep co-product prices

	Average (Feb Data)	Range	Responses	Monthly Change	Annual Change
Heart Sheep - Halal	\$3.10	\$1.50	3	0.5%	1.6%
Liver Sheep - Halal	\$1.70		2	61.9%	15.3%
Runners Lamb	\$3.20		2	-5.9%	
Runners Sheep	\$1.30		2	-25.7%	
Tongue LC Sheep - Halal	\$4.00		2		-12.1%

Price quoted is average price reported in \$/kg FOB Australian port and runners as \$/piece.

Sheep offal

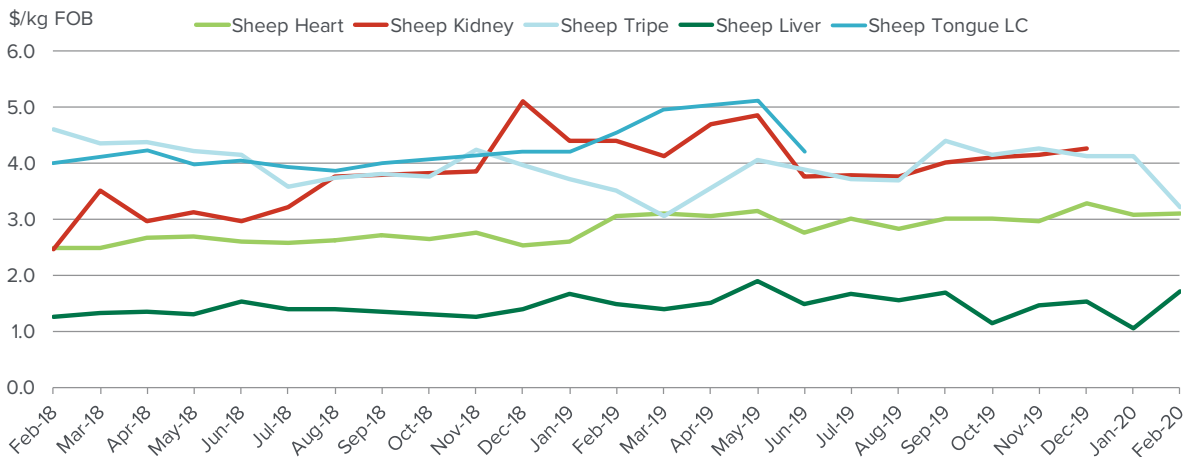
Sheep hearts averaged \$3.10/kg, up 2¢/kg month-on-month and 5¢/kg dearer than year-ago levels. Kidney prices were not reported for the month

Sheep livers were 65¢/kg up month-on-month to average \$1.70/kg and 22¢/kg above prices a year ago.

Sheep tripe averaged \$3.20/kg, down 30¢/kg year-on-year and 93¢/kg down on December prices.

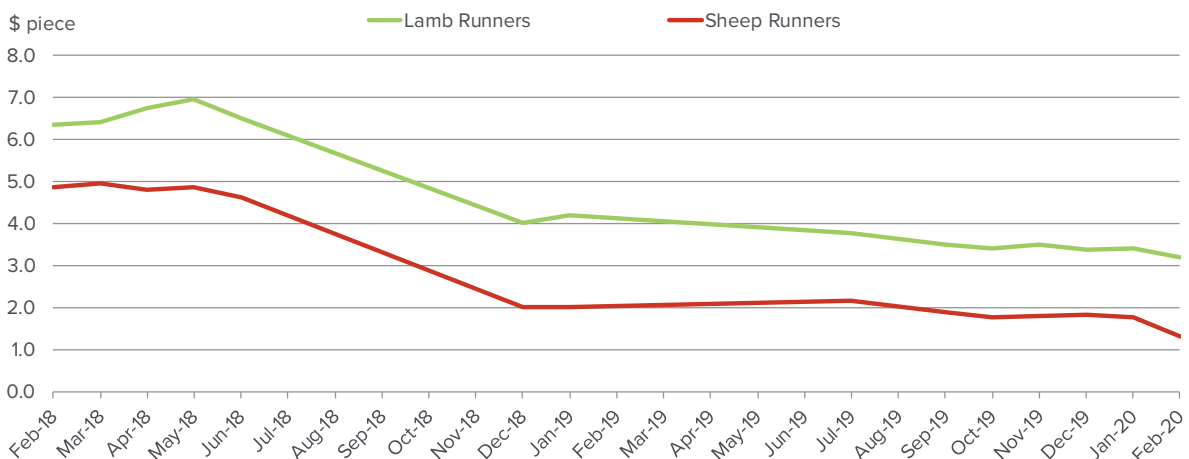
Long cut tongues were again not reported.

Figure 8: Trends in sheep offal prices



Lamb runners were quoted at \$3.20/piece, down 20¢/piece month-on-month with sheep runners returning \$1.30/piece which was 45¢/piece lower than January. Demand remained weak with continued over supply in the market.

Figure 9: Trends in runner prices



Pharmaceutical products

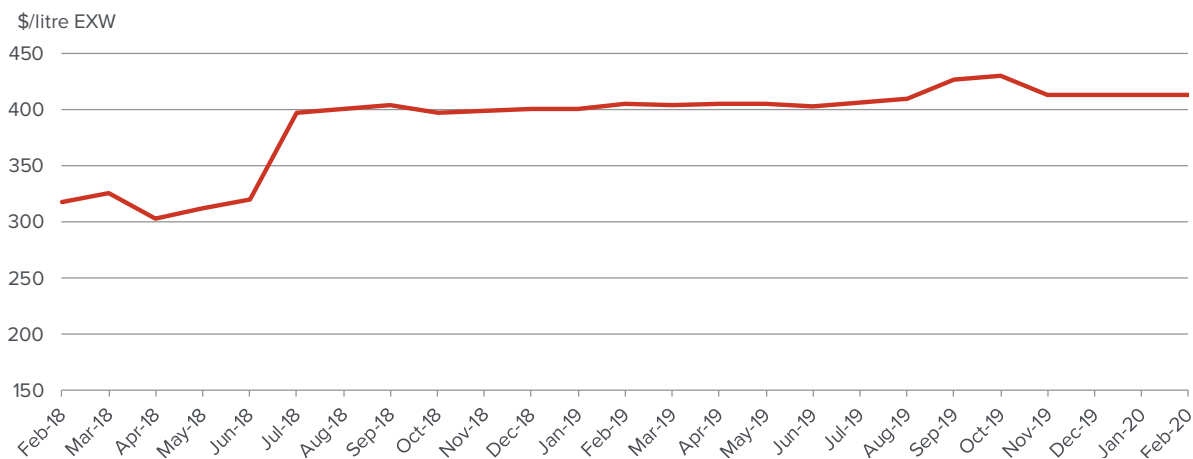
Table 3: Pharmaceutical prices

	Average (Feb Data)	Range	Responses	Monthly Change	Annual Change
Foetal Blood	\$413.33	\$10.00	3	0.0%	2.1%
Gall Concentrated	\$28.25		2	2.7%	-5.8%

Price quoted is average price reported in \$/kg FOB Australian port and foetal blood \$/litre EXW

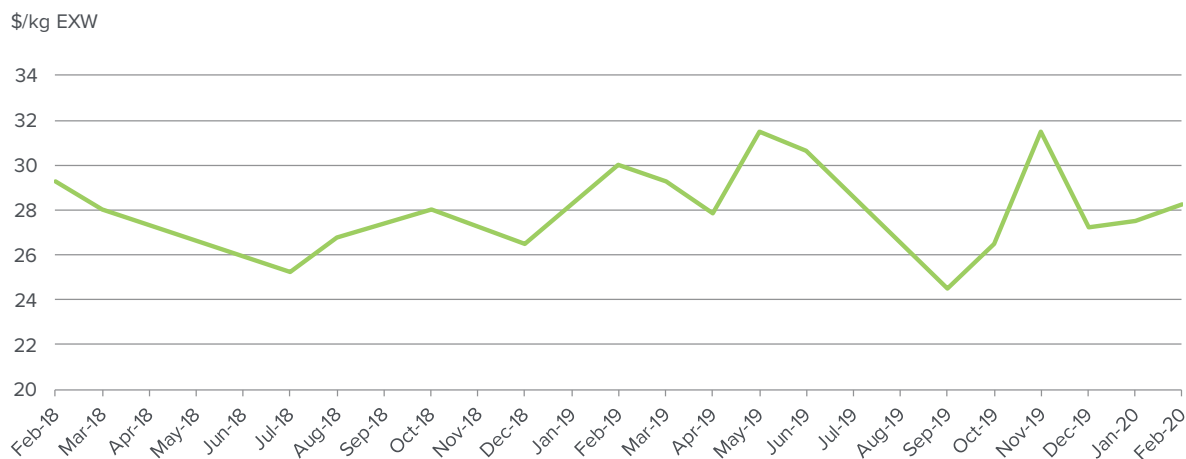
Foetal calf blood was reported at \$413/litre, which is up \$8/litre year-on-year and even with last month.

Figure 10: Trends for foetal blood prices



Concentrated gall averaged \$28.25/kg up 75¢/kg from January and \$1.75/kg down with year ago prices.

Figure 11: Trends for concentrated gall prices



Rendered products

Rendered meal prices firmed on improved demand, whilst tallow prices jumped with continuing strong demand from the bio-fuel market on the back of the US blenders credits being re-activated.

Table 4: Rendered product prices

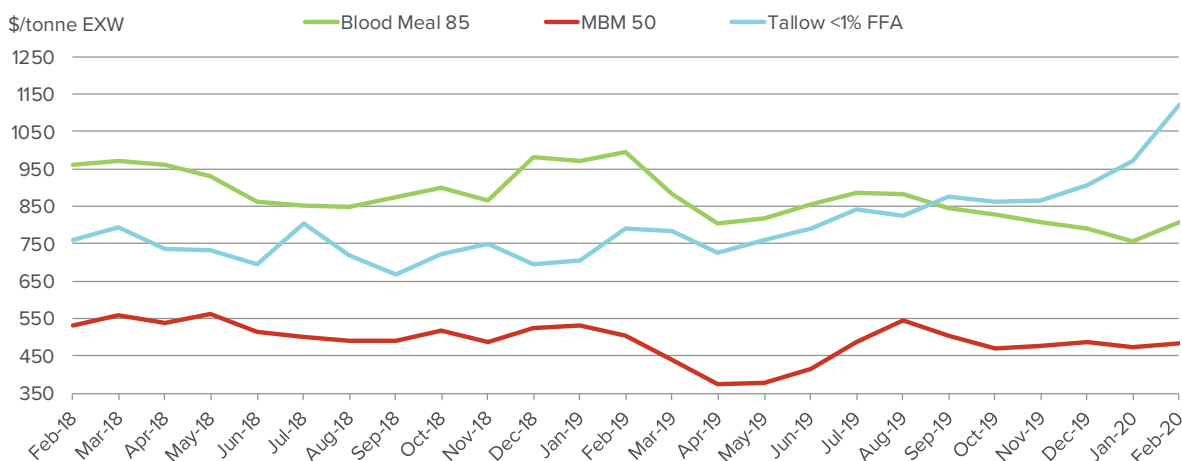
	Average (Feb Data)	Range	Responses	Monthly Change	Annual Change
Bloodmeal 85	\$808.33	\$200.00	6	7.0%	-18.8%
MBM 50	\$483.00	\$95.00	5	2.1%	-4.4%
Tallow Ined.<1FFA	\$1,122.50	\$50.00	4	15.3%	42.1%
Tallow Ined.<2FFA	\$1,103.33	\$50.00	3	18.9%	45.2%
Tallow Ined.<4FFA	\$1,013.33	\$170.00	3	11.7%	36.9%

Price quoted is average price reported ex works\$/tonne.

The price for 50% protein MBM firmed \$10/tonne from last month, averaging \$483/tonne, to be \$22/tonne below February 2019 levels. Blood meal averaged \$808/tonne, up \$187/tonne with last year’s price, and \$52/tonne firmer month-on-month.

Tallow prices rose sharply, with the price for 1% FFA tallow averaging \$1122/tonne, up \$149/tonne from January and \$332/tonne above year-ago prices.

Figure 12: Trends in rendered co-product prices



Hides

The hide market was steady, with small and lesser quality product remaining of no commercial value. A lift in leather use in shoes and furniture helped to strengthen prices slightly with processors reporting more interest from buyers. Automotive demand remains weak.

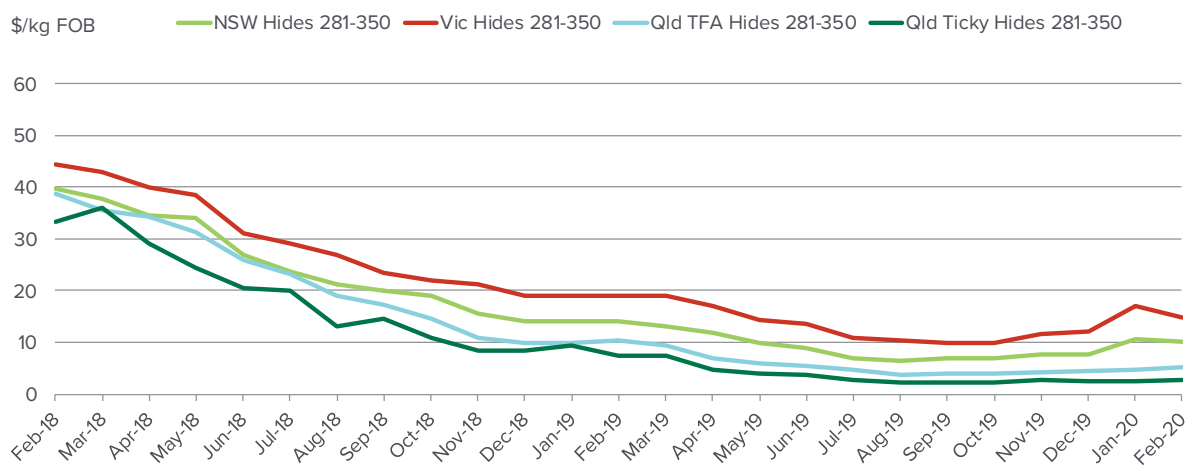
Table 5: Hide prices

	Average (Feb Data)	Range	Responses	Monthly Change	Annual Change
Hides NSW 181 - 220	\$1.75		2	-52.3%	-66.7%
Hides NSW 221 - 280	\$5.25		2	-25.0%	-40.0%
Hides NSW 281 - 350	\$10.25		2	-3.9%	-26.8%
Hides NSW 351 Up	\$17.00		2	10.9%	-20.9%
Hides QLD TFA 221 - 280	\$0.75		2	0.0%	-84.2%
Hides QLD TFA 281 - 350	\$5.17		3	10.7%	-50.8%
Hides QLD TFA 351 Up	\$7.67		3	9.5%	-47.7%
Hides QLD Ticky 281 - 350	\$2.75		2	15.8%	-63.3%
Hides QLD Ticky 350 Up	\$4.25		2	21.4%	-66.0%
Hides VIC 141-180	\$2.25		2	-10.0%	-67.9%
Hides VIC 181-220	\$6.00		2	-2.7%	-38.5%
Hides VIC 221 - 280	\$11.00		2	-15.4%	-15.4%
Hides VIC 281-350	\$14.75		2	-13.2%	-22.4%
Hides VIC 351 Up	\$22.00		2	1.5%	-15.4%

Price quoted is average price reported for ex works \$/each.

Local prices for hides were steady to softer across the market, with a few corrections as the virus crisis in China closed tanneries and ports.

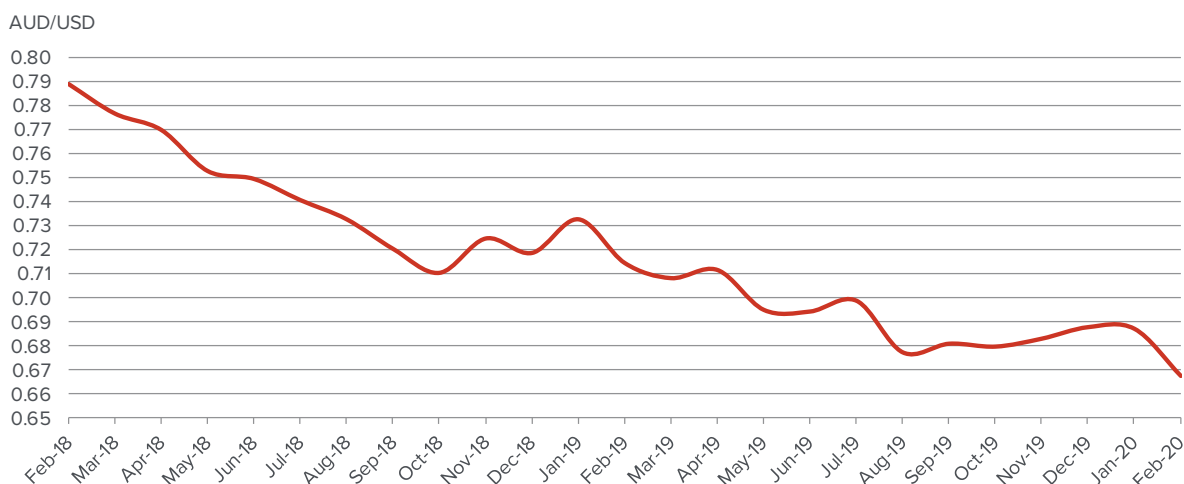
Figure 13: Trends in hide prices (East Coast Ex Works)



Currency exchange

The Australian dollar eased against the US dollar during February. The \$A opened the month at 66.96US¢ and traded down to close at 65.24US¢, averaging 66.74US¢ for January, a decrease of 1.96US¢ month-on-month, and down 4.70US¢ from February 2019.

Figure 14: AUD /USD Foreign Exchange



Source: Reserve Bank Australia

Export statistics



To access the latest co-products statistics please click here:



For more information:

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This report is produced from a monthly MLA survey of approximately 25 processors across Australia, collating average prices and analysing trends on a range of co-products items



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